

## 2007 MBA STOCKS AND SHARE QUESTION PAPER

TIME : 3 HOUR

stocks and share

Question 1 of 25

A person invested 20%, 30% and 25% of his savings in buying shares of three different companies A, B and C, which declared dividends of 10%, 12% and 15% respectively. If his total income on account of dividends be Rs 2337.50, find his savings and the amount which he invested in buying shares of each company.

1. Rs. 25000, Rs. 4500, Rs. 7000, Rs. 6250
2. Rs. 23375, Rs. 7500, Rs. 5000, Rs. 6250
3. Rs. 25000, Rs. 5000, Rs. 7500, Rs. 6250
4. Can't determine

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Question 2 of 25

Mr. Ravi invests Rs 40000 in 10% Rs 100 shares at 25% premium. Find his annual income if the income tax is deducted at the rate of 20%. Later on, he sells half the shares at Rs 140 and invests the sale value in 15% Rs 10 shares available at 20% discount. Find the change in his annual income, if the income tax is deducted at the same rate.

1. Rs. 2080
2. Rs. 4640
3. No change
4. None of these

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Question 3 of 25

I invest Rs. 25400 in a company paying 5 p.c. dividend per annum, with its Rs. 60 shares selling at Rs. 63.50. Find my annual income and the percentage of profit obtained on the investments.

1. Rs. 400, 5%
2. Rs. 24000, 4.8%
3. Rs. 1200, 4.8%
4. None of these

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Question 4 of 25

A man transfers his stock from the  $3\frac{1}{2}$  per cent at 63 to the 5 per cent at 74; per cent allowed on each transaction, and hereby increases his annual income by Rs. 21. Find the original stock held by him.

1. Rs. 3000
2. Rs. 3500
3. Rs. 700
4. None of these

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Question 5 of 25

A man invests Rs. 13650 in the 3% at Rs 91. He sells out Rs. 10,000 stock when they have risen to 93½ per cent and the remainder when they have fallen to Rs. 85. How much does he gain or lose by the transaction?

1. Rs. 136 profit
2. Rs. 50 profit
3. Rs. 50 Loss
4. can't determine

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Question 6 of 25

A person holds forty Rs. 500 shares in a concern, which pays dividend at the rate of 6 per cent per annum. When the shares are at Rs. 675, he sells out and invests half the proceeds in 4 percent stock at 90. With the other half he buys a house, for which he receives an annual rent of Rs. 1440 subject to a deduction of 25 P per rupees for repairs and taxes, Find the alternation in his annual income.

1. Rs. 840
2. Rs. 480
3. No change
4. Rs. 750

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Question 7 of 25

A man invested Rs. 2,592. When he bought shares of a company at Rs. 108 each, the face value of a share was Rs. 100. The company paid 12 % dividend. Find the dividend earned (income derived) at the end of the year.

1. Rs. 192
2. Rs. 300
3. Rs. 24
4. None of these

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Question 8 of 25

Mr. Sharma has 60 shares of nominal value of Rs. 100 and he decides to sell them when they are at a premium of 60%. He invests the proceeds in shares of nominal value Rs. 50, quoted at 4% discount, paying 18% dividend annually. Calculate

- (i) the sale proceeds
- (ii) the number of shares he buys
- (iii) his annual dividend from these shares.

1. Rs. 9600, Rs. 192, Rs. 1728
2. Rs. 3600, Rs. 200, Rs. 1800
3. Rs. 9600, Rs. 200, Rs. 1800
4. Rs. 3600, Rs. 72, Rs. 648

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Question 9 of 25

A man has a choice to invest in hundred-rupee shares of two firms at Rs. 120 each or at Rs. 132 each. The first firm pays a dividend of 5% per annum and the second firm pays 6% per annum. How much more will his annual return be if he invests Rs. 26400 with the firm from which he gets a better return on his investment?

1. Rs. 60
2. Rs. 100
3. Rs. 1200
4. Rs. 720

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Question 10 of 25

By investing Rs. 1580 in 5% "Racquets" a person obtained a yearly income of Rs. 66. What is the market value of the stock?

1. Rs. 119.70 (nearly)
2. Rs. 200
3. Rs. 18.50
4. None of these

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Question 11 of 25

A man invests Rs. 6250 in shares of a company which pays 18% dividend when the market value of a Rs. 25 share is Rs. 31.25. Find his net income after paying 30% income tax.

1. Rs. 630
2. Rs. 100
3. Rs. 900
4. Rs. 270

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Question 12 of 25

A man transfers his stock of Rs.7600 from 5% at 105 to  $4\frac{1}{2}$  % at some value of other stock. Thus he loses Rs. 2. Find the market value of the other stock.

1. Rs. 90
2. Rs. 92
3. Rs. 95
4. None of these

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Question 13 of 25

A company gives 8% dividend. Mohan has 500 shares each of face value Rs. 10 of this company. He sells these shares at 60% premium and purchases shares each of face value Rs. 5 of another company which are being sold at 20% discount. If the other company gives 5% dividend, then find the difference of his gains from the dividends.

1. Rs. 100
2. Rs. 110
3. Rs. 90
4. None of these

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Question 14 of 25

What sum of money must Shri Mehta invest in 5% "Gwaliors" at 104 to get a net income of Rs. 120 a year after paying income tax of 25 p. in the rupee?

1. Rs. 3400
2. Rs. 3328
3. Rs. 2600
4. None of these

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Question 15 of 25

Arvind sells 300 shares at a market value of Rs. 475. He had purchased the shares two years ago at Rs. 425. His broker charges brokerage at 11.11% of the gross value of the transaction. Determine the net gain / loss over the period.

1. Rs. 636
2. Rs. 935
3. Rs. 234
4. Rs. 833

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Question 16 of 25

A person invests a certain sum in the 3% at 80 and an equal sum in 5% at 120. If his total income from two sources is Rs. 380/- how much does he invest in each?

1. Rs. 4800 each
2. Rs. 5200 each
3. Rs. 3800 each
4. None of these

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Question 17 of 25

A man invests Rs. 60000 in a company paying 8% p.a. when a share of the face value of Rs. 100 is selling for Rs. 120. What is his annual income?

1. Rs. 400
2. Rs. 3000
3. \$Rs. 4000
4. Rs. 5000

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Question 18 of 25

Divide Rs.5300 in two parts such that if one part is invested in the  $3\frac{1}{2}\%$  at 98 and the other in 4% at par, the resulting incomes are equal.

1. Rs. 2700 & Rs. 2600
2. Rs. 3800 & Rs. 1500
3. Rs. 2800 & Rs. 2500

4. Rs. 2400 & Rs. 1900

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Question 19 of 25

A man sold some Rs. 100 shares paying 10% dividend at a discount of 25% and invested the proceeds in Rs. 100 shares paying 16% dividend quoted at Rs. 80 and thus increased his income by Rs. 2000. Find the number of shares sold by him.

1. Rs. 1600
2. Rs. 400
3. Rs. 2000
4. None of these

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Question 20 of 25

A person has 3 percent stock which yields Rs. 240 a year. He sells out of the stock at 87 and invests the proceeds in Railway stock at 174. What dividend ought the latter pay so that he may thereby increase his income by Rs. 40?

1. 10%
2. 6%
3. 4%
4. None of these

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Question 21 of 25

A man sells Rs. 1000 of 2% stock at par, and with part of the proceeds purchases enough 4% stock at 140 to yield him the same income as before. What amount of cash does he retain in hand?

1. Rs. 67.5
2. Rs. 37.5
3. Rs. 45.5
4. Can't be determined

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Question 22 of 25

If a person sells for Rs. 18 each, three hundred fifty Rs. 10 shares in a company which pays a dividend of 8 percent and then invests the proceeds of this sale in the purchase of Rs. 5 shares in another company at Rs. 3.50 each, find what difference is made in his income if the second company pays a dividend of 3 per cent.

1. Rs. 315 increase
2. Rs. 35 increase
3. No change
4. None of these

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Question 23 of 25

A man invested Rs. 9000 in 3% Rs. 100 stock at Rs. 90. He sold the stock when the price rose to Rs. 95 and invested the sale proceeds in 4% Rs. 100 stock. By doing so, his income increased by Rs. 80. At what price did he buy the latter stock?

1. Rs. 8000
2. Rs. 9500
3. Rs. 9000
4. Can't determine

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Question 24 of 25

A person invested Rs. 6000 in 3 percent stock at 75 and after a few years sold his stocks, and found that during the time his sum had amounted to Rs. 10,000. If the price of stock was Rs. 80 when he sold, find how many years he was a stock holder. (Assume that he does not earn any interest over the dividend).

1. 10
2. 15
3. 20
4. 25

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Question 25 of 25

A company has a capital stock of Rs. 2,00,000 divided into 500 shares of 6% preferred stock with par value of Rs. 100 per share and 1500 shares of common stock. The company declares a dividend of Rs. 15,500. If a person holds 30 shares of preferred stock and 75 shares of common stock, find the amount of dividend he receives.

1. Rs. 700
2. Rs. 800
3. Rs. 805
4. Rs. 1050